Department of Defense

End-to-End Procurement Process

Michael Williams
DRID #47 "Core Group" Co-Chair

End-to-End Procurement Process

How We Got Here . . .

Eliminate Unmatched Disbursements and Negative Unliquidated Obligations

"Single Point of Data Entry"

Move ahead with systems and technologies already on-hand

MRM #2, Moving to a Paper-free Contracting Process by January 1, 2000

Reengineer Contract Closeout and Source Acceptance Policies and Procedures

DRIDs #32 and #33

DCMC and DFAS co-chair an "end-to-end" procurement process review for the future shared data environment

DRID #47, End-to-End Procurement Process, December 9, 1998

Scope of Our Effort

- **Define the "To Be" End-to-End shared data environment for the DoD procurement process, including:**
  - Requirements
  - Solicitations
  - Awards and modifications
  - Acceptances
  - Payments
  - Contract Closeout

  DRID #33

  DRID #33

  DRID #32

- **Address process dependencies, integration requirements, information requirements, and responsibilities**

- *Take advantage of business process improvement and reengineering opportunities*

DRID #47 "Core Group" Members

Co-Chairpersons

Mr. Ken Sweitzer, DFAS   **Mr. Mike Williams, DLA-DCMC**

Members

Army	Navy
Army	**Navy**
Phillip Carney, SARDA	Gale Williams, EA-21
Kathy Miller, ASA-FM	Mike Buchko, OASN(FM)

Air Force
Katherine Ekburg, SAF/AQC
Kathy Miller, ASA-FM

DLA
Greg Ellsworth, DLA-DLS
Barbara Shaffer, DLA-FO

DFAS
Dennis Idol, DFAS HQ
Pat Cobb, DFAS HQ

DCAA
Joe Garcia, DCAA HQ

More ⟶

DRID #47 "Core Group" Members (2)

DISA
Melissa McGinness, D41
Lisa Boeckmann, DITCO-Scott AFB

USD(A&T)
Craig Curtis, ODUSD(A

DUSD(L)
Roberta Peek, ODUSD(L)/LRO
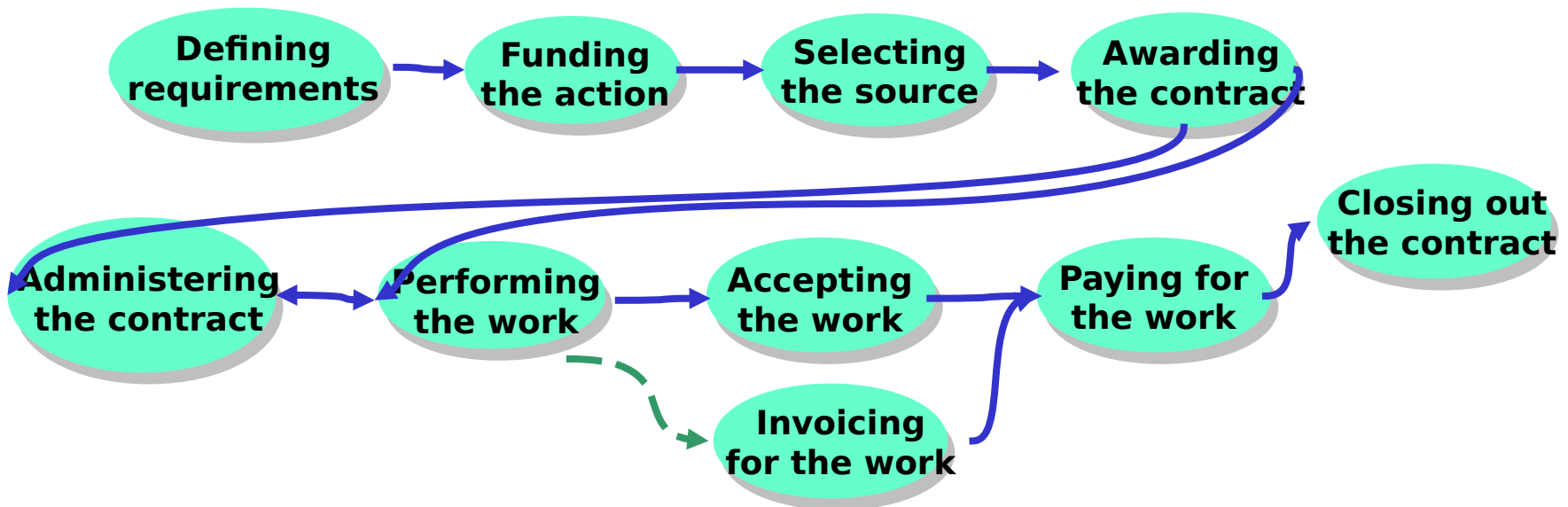**Jim Kimberly, ODUSD(L)**

JECPO
Miles Holtzman
Bruce Propert

And, many working group members, too!

The End-to-End Procurement Business Process

Defining requirements → **Funding the action** → **Selecting the source** → **Awarding the contract**

Administering the contract ← **Performing the work** → **Accepting the work** → **Paying for the work** → **Closing out the contract**

Performing the work ⇢ **Invoicing for the work** → **Paying for the work**

. . . While recognizing that there are major integration challe

Here!

Defining requirements

Funding the action

Selecting the source

Awarding the contract

Closing out the contract

Administering the contract

Performing the work

Accepting the work

Paying for the work

Invoicing for the work

And, here!
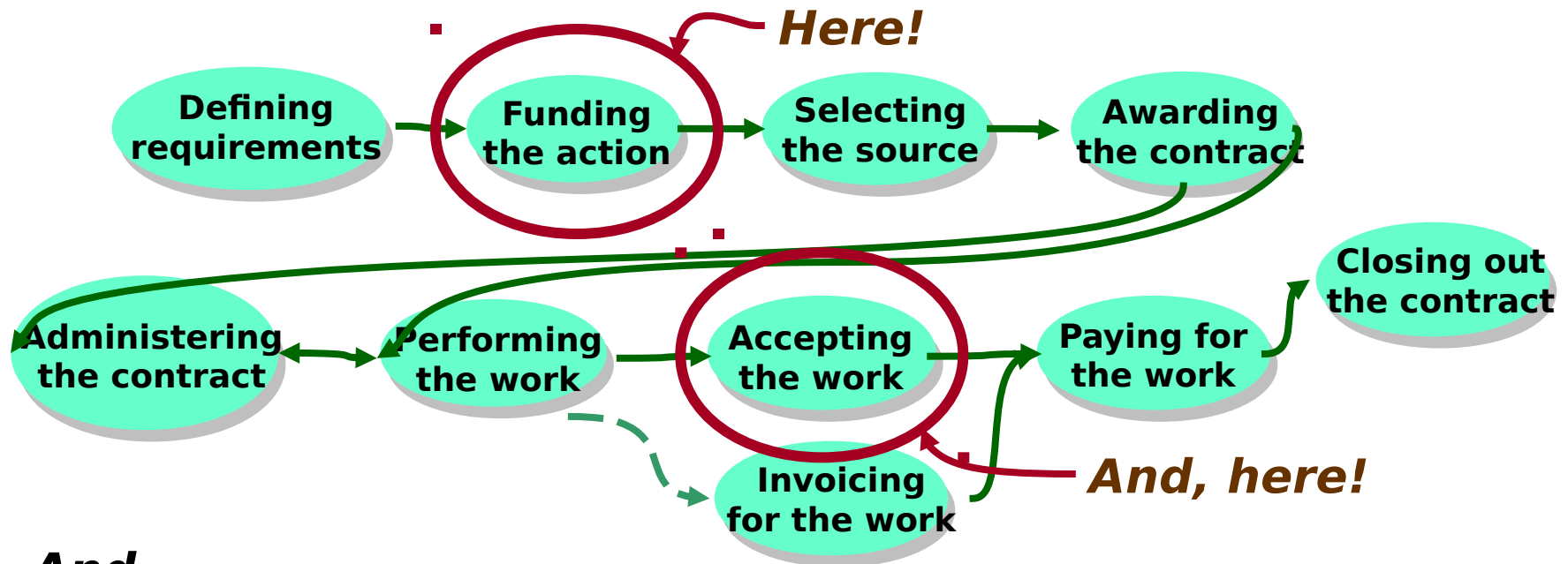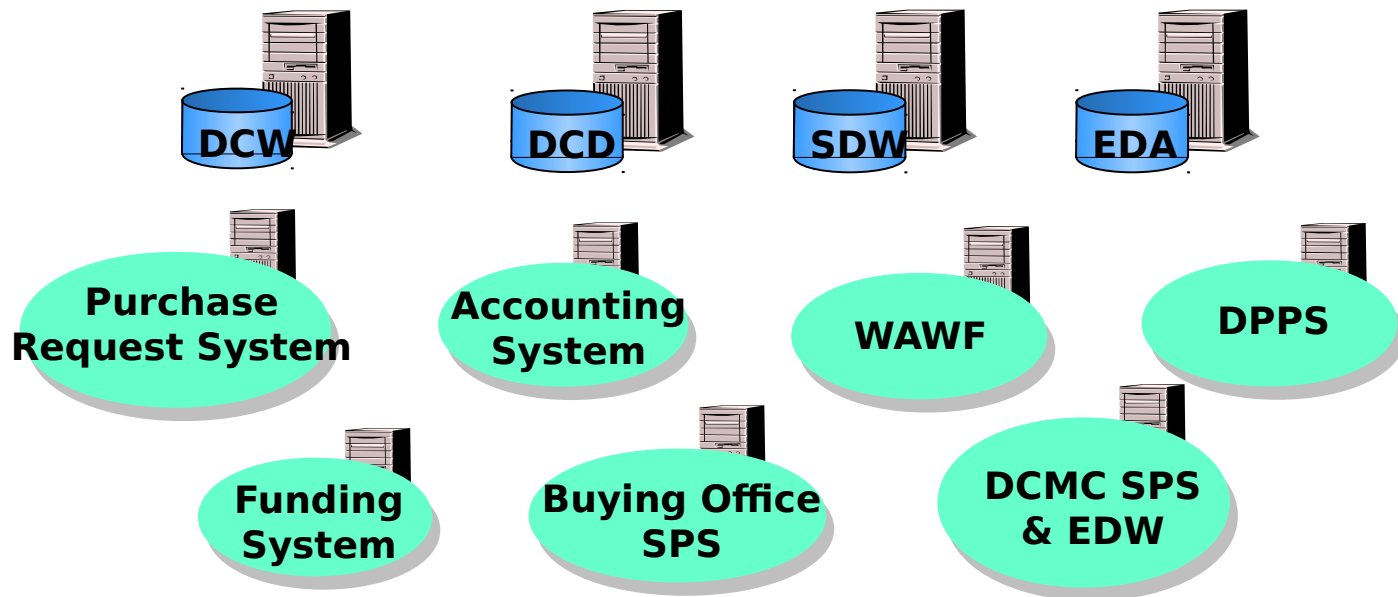
And . . .

- *Using the results from the DRIDs #33 and 32 study groups*
- *Plus, our own ideas to overcome those challenges . . .*
- *While recognizing the opportunities offered by IT to reeng and improve business processes and subprocesses!*

End-to-End Procurement Process

IT Systems Supporting the End-to-End Business Process

DCW

DCD

SDW

EDA

Purchase Request System

Accounting System

WAWF

DPPS

Funding System

Buying Office SPS

DCMC SPS & EDW

They open doors for reengineering!

IT Enables Business Subprocess Reengineering

Examples:

Reengineering . . .	Enabled by . . .	Developed by . . .
Funding the action	**Accounting System** **DCD**	**End-to-End Phase I**
Accepting the work	**WAWF DD250s/Invoices**	**PC-WIPT**
Closing out the contract	**WAWF Closeout**	**DRID #32**

Reengineering Example

Contracting Officer

Payment Instructions

DCAA

Direct Billing & Cost Voucher Approvals

DCD

ANSI X12

DPPS

DCMC Office

E-mail notifications to; Source Acceptances from

WAWF DD250s/Invoices

ANSI X12

DSDS

E-mail notifications to; Destination Accept's from

Receiving Activity

EFT

DD 250s Invoices Cost Vouchers

"Web" and other interfaces

Contractor
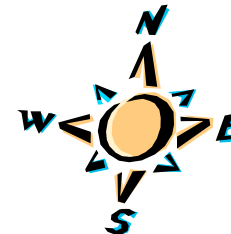
End-to-End Procurement Process
Basic Approach

- **Describe the To-Be Procurement Process Flow**
  - **Develop Process Model**
  - **Describe Inputs/Outputs**
  - **Identify Transfer Mechanisms**
  - **Develop Systems Maps**
- *Incorporate recommendations and findings from DRIDs #32 and #33 study groups!*
- **Develop implementation recommendations**
- **Provide final report to Paperless Contracting Overarching IPT and DRO**

End-to-End Timeline
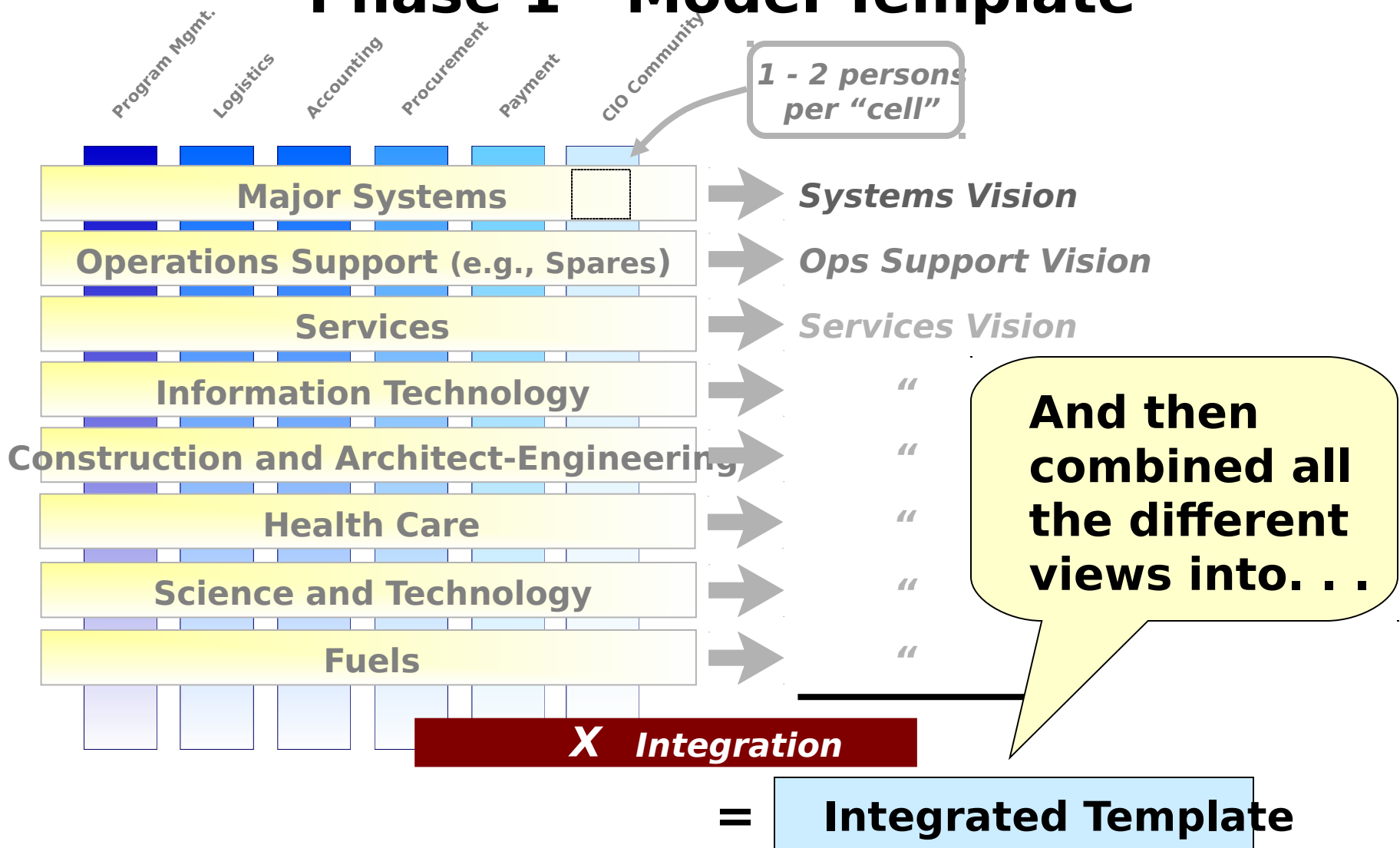
- **Phase 1 - Model Template**   *November 17-19*
  - **"Process" Subject Matter Experts (SMEs)**
- **Phase 2 - Develop Process Model**   *December 8-10*
  - **"Technical" Data Exchange SMEs**
- **Phase 3 - Detailed "To-Be" Model**   *January 5-7*
  - **As many levels of indenture as needed**   *January 25-27*
  - **Smaller Group of SMEs**   *February 16-18*
- **Phase 4 - System Cross-Walk**   *March 3-5*
- **Phase 5 - "Final Polishing" Session**   *March 25*
- **Develop Reports and Briefings**   *Early April*

Phase 1 - Model Template

Over 90 people!

How we went about it . . .

> **"What we buy drives how we buy!"** is what we heard from field practitioners . . .
> So, we broke up into sub-groups organized by "types" of buying . . .
> And went for an "end-to-end" view for each one of those!

Program Mgmt. | Logistics | Accounting | Procurement | Payment | CIO Community

"End-to" → **Major Systems** → *"-End"*

Operations Support (e.g., Spares)

Services

Information Technology

Construction and Architect-Engineering

Health Care

Science and Technology

Fuels

More →

Phase 1 - Model Template

Program Mgmt.
Logistics
Accounting
Procurement
Payment
CIO Community

1 - 2 persons per "cell"

Major Systems ➡ *Systems Vision*

Operations Support (e.g., Spares) ➡ *Ops Support Vision*

Services ➡ *Services Vision*

Information Technology ➡ *"*

Construction and Architect-Engineering ➡ *"*

Health Care ➡ *"*

Science and Technology ➡ *"*

Fuels ➡ *"*

And then combined all the different views into. . .

X   *Integration*

=   Integrated Template

Phase 2 - Process Model

Over 80 people!

How we went about it . . .

- **We went "vertical". . .**

- **Divided into four subgroups:**
  - **Procurement Planning**
  - **Pre-Award**
  - **Post Award**
  - **Receipts and Payments**

- **Concentrated on the "wiring diagram" connections between the different parts of the process!**
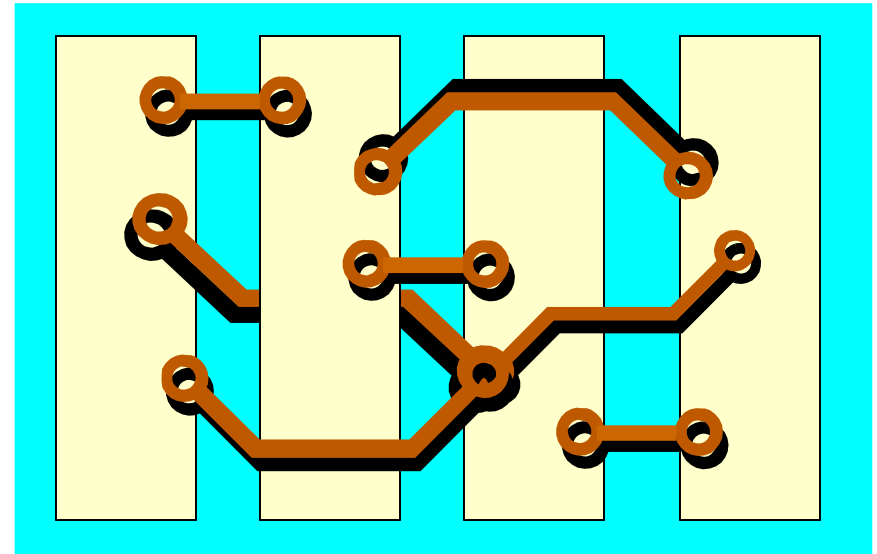
End-to-End Procurement Process
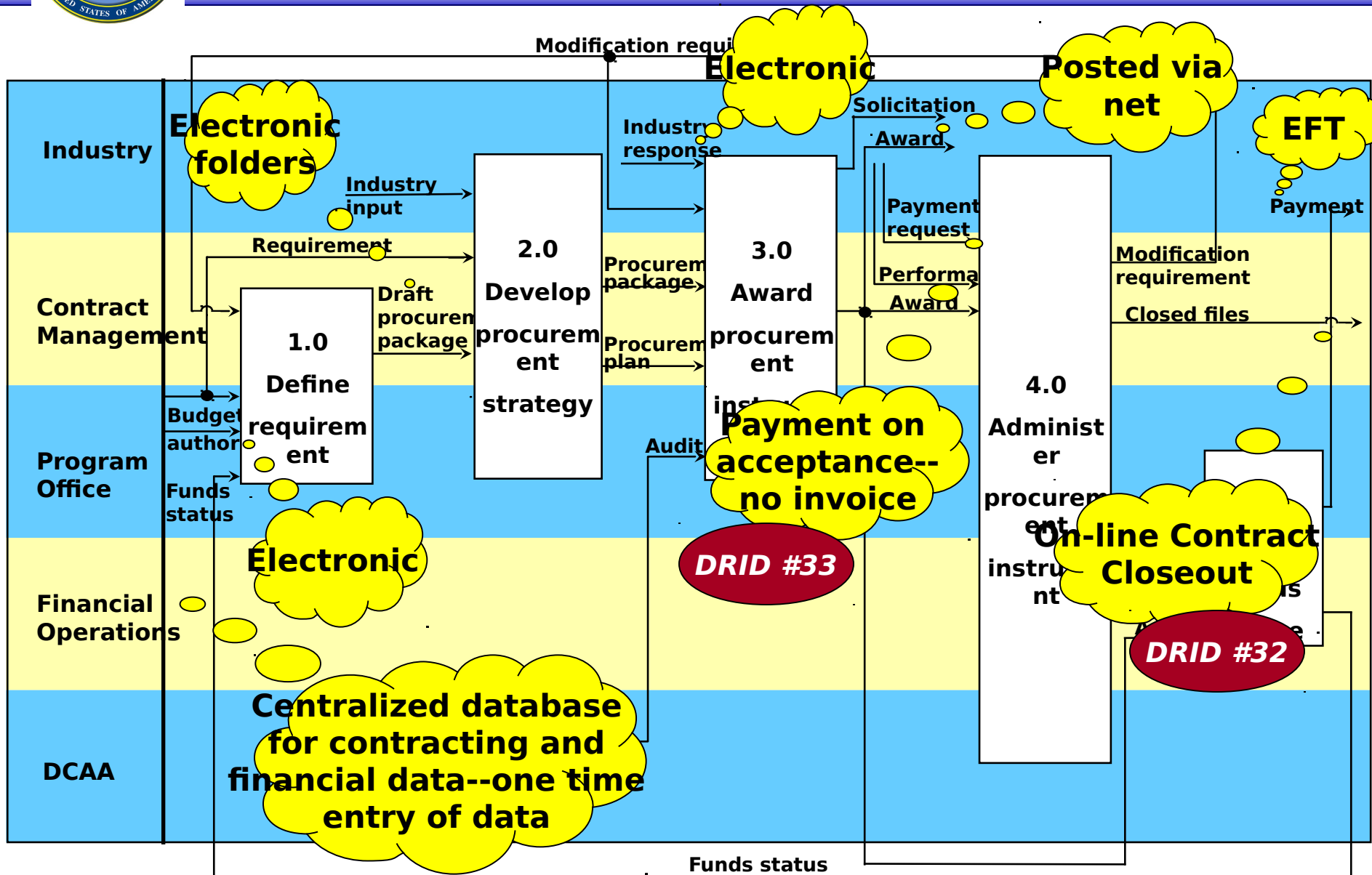
Phase 3:
Several Sessions - Detailed Model

- **Smaller group of functional experts with good knowledge of SPS, DPPS, DFAS Corporate Database, etc.**
- **Integrated Phase 1 and 2 results . . .**
- **Incorporated improvement ideas . . .**
- **Documented the business rules . .**
- **Developed . . .**
  - **"To-Be" Process Model**
  - **"To-Be" Process Inputs/Outputs and Systems Maps**

Industry

Contract Management

Program Office

Financial Operations

DCAA

Modification request

Electronic folders

Electronic

Posted via net

EFT

Industry response

Solicitation

Award

Payment request

Performa

Payment

Industry input

Requirement

Draft procurement package

2.0 Develop procurement strategy

Procurement package

Procurement plan

3.0 Award procurement instrument

Award

Modification requirement

Closed files

1.0 Define requirement

Budget author

Funds status

Audit

4.0 Administer procurement instrument

Electronic

Payment on acceptance-- no invoice

DRID #33

On-line Contract Closeout

DRID #32

Centralized database for contracting and financial data--one time entry of data

Funds status

Phase 4:
Systems "Crosswalk"

Dialogue with "To Be" Systems "Owners" . . .

- **"Reality check" the "To Be" recommendations . . .**
- **Identified missed improvement opportunities . . .**
- *Came away with a better product, and clear understanding of the "To Be" process flow and information requirements!*

Phase 5:
Final "Polishing"

Today!

Dialogue with previous phase participants . . .

- **"Final" walk-through of Process Model and Systems Maps . . .**

- **Feedback on improvement ideas and recommendations . . .**

- *Begin results presentation process!*

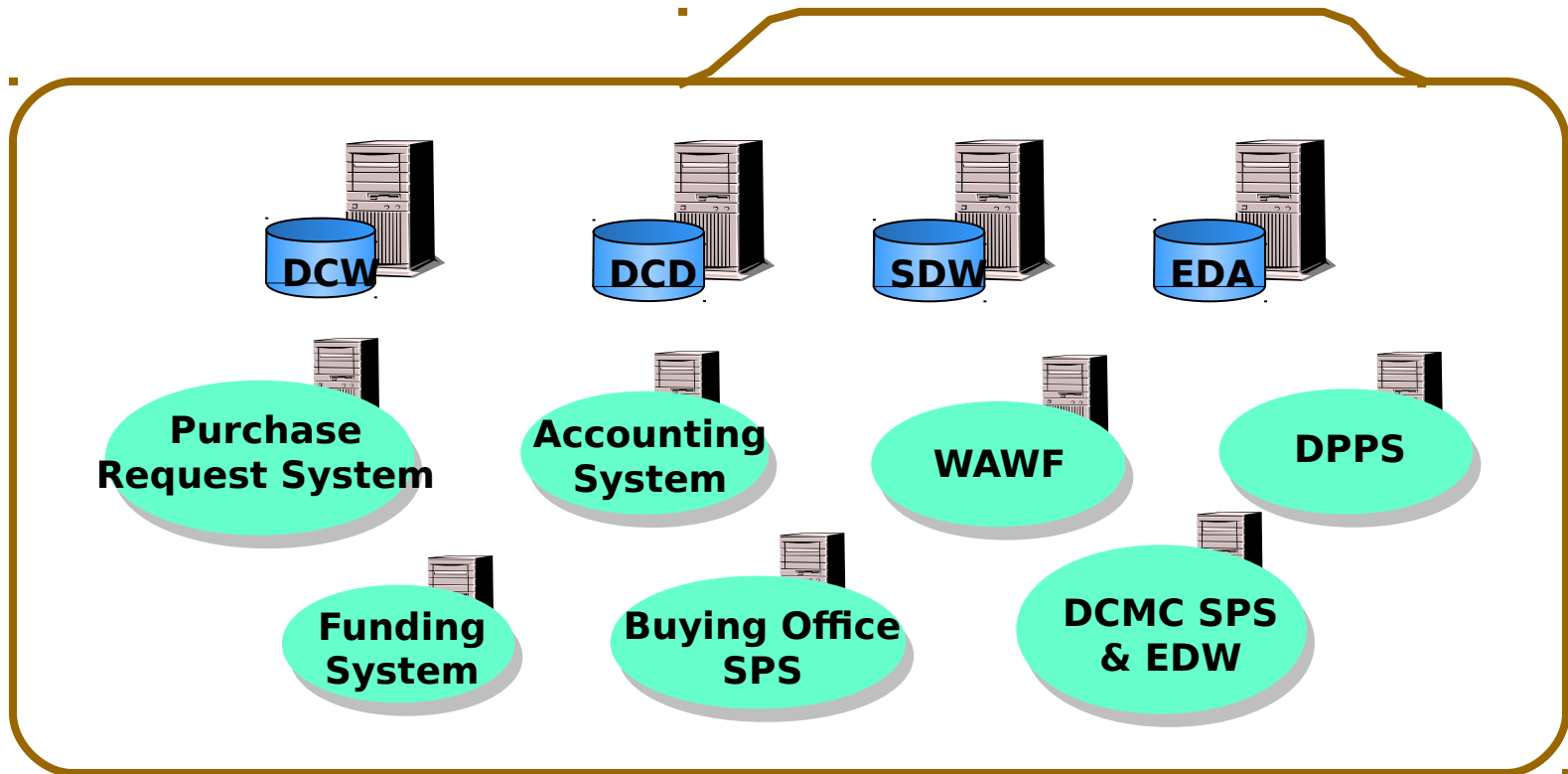*One major conclusion:*
These need to be managed as a "Portfolio"!

DCW   DCD   SDW   EDA

Purchase Request System

Accounting System

WAWF

DPPS

Funding System

Buying Office SPS

DCMC SPS & EDW

They cross functions, cross Services and agencies . . .
Danger they won't interface, and schedules won't mesh!

Portfolio Management

- **End-to-End process model is a vision of future shared data environment**

- **Systems and Interfaces will _"evolve"_ to meet vision**

- **Requires integrated management concepts**
  - **Cross-functional interdependencies**
  - **Interfaces and data flow**
  - **Change control management**
  - **Technology insertion**

- **Implementation oversight at multiple levels**
  - **PC OIPT   Programs   Requirements**

End Products

 Final Report
- **Introduction**
- **"To-Be" Process Map**
- **"To-Be" Process Description**
- **"To-Be" Input/Output Descriptions**
- **Information Transfer Mechanisms**
- **"To-Be" System Maps**
- **Issues and Recommendations**
- **Implementation Considerations (next steps)**

 Briefing

Implementation

- **Addressed in DRID #47**
  - **Implementation under PSAs**
  - **Integration under DoD CIO (PC OIPT)**
- **Implementation via Portfolio Management**
  - **Coordinated system development**
  - **Integration/Interface management**
- **Recommendations in Final Report**
  - **DoD CIO (PC OIPT) as Executive Board**
  - **Form Implementation IPT under PC OIPT**
    - **Services/Agencies represented**
    - **System PMOs represented**

Let's get started!